2014 cycle of Energy Policy Reviews

- Outstanding cooperation and positive practice
  - ITS Secretariat
    - Excellent cooperation
    - Organization of review missions
  - INOGATE Partner Countries
    - Questionnaires and country submissions
    - Participation and the role of Peer Reviewers
    - Meetings with key energy stakeholders
    - Delivery of preliminary findings and recommendations

- Way forward
  - Publication schedule and launch events
2014 cycle of Energy Policy Reviews

Key findings

- Diverse progress
- Public sector challenges
- Positive developments in private sectors
- Improved investment climate
- Reshaping regional markets
- New network interconnections
- Regulatory framework developments
- European agenda and EU Association Agreements
- Enlargement of Customs Union
- New realities and remaining challenges
Major changes in the 2014 review cycle

- **General Observation**
  - **Legal and regulatory frameworks**
    - Improvements in primary energy legislative frameworks
      - Need for more elaborated, functional secondary legislation
    - Improvements in regulatory frames
      - Need for more transparent tariff structures and methodologies
    - Rule of law remains weak, fueling shadow energy undertakings
  - **Sustainable development**
    - Further push to RES developments, including green tariffs
      - Absence of secondary legislation to ensure market penetration
    - Insufficient commitment for maximizing energy efficiency gains
      - Weak demand side management and insufficient DS data
    - No energy technology related research, development and deployment
Major changes in the 2014 review cycle

- Energy security
  - Focus on Reducing import dependency or maximizing export potential
  - Public sector supported aged infrastructure
    - Inadequate pricing structures and rising public debts
    - Slow restructuring process in cases of natural monopolies
  - Weak supply shortage emergency response mechanisms
    - Absence of demand restraint programmes
    - Weak infrastructure for fuel switching
  - Positive trends in private energy infrastructure ventures

- Regional cooperation
  - Existing interconnections
    - No major break thoughts and weak regional cooperation
  - Positive trends in new cross border infrastructure developments
  - Need for promotion of regional energy market developments
Major changes in the 2014 review cycle

- Energy policy development trends
  - Segmented public sector managements; inconsistent policies
    - Need for data based medium and long term policies
    - Coherence between energy policy undertakings and economic outlook
    - Insufficient data analysis to feed policy directions and measures

- Energy markets
  - Need for most efficient energy market models
    - Supported with adequate legal and regulatory regimes
    - Energy pricing, tariff structures, transparency, consumer boards
  - Energy subsidies
    - Current trends and restructuring possibilities
  - District heating sector
    - Challenges and opportunities
Major changes in the 2014 review cycle

- Armenia
  - New interconnections, redesign of energy markets
  - Positive trends in renewable energy developments
  - Need for functional energy efficiency policies and measures

- Azerbaijan
  - Focus on renewable energy developments
  - Need for transparent regulatory regime

- Georgia
  - EU Association Agreement; Energy Community Treaty
  - Energy policies and measures remain hydro centered
  - Weak demand side management; no EE policies and measures
Major changes in the 2014 review cycle

- **Belarus**
  - Energy sector restructuring instigated
  - Stable development, improved investment climate

- **Kazakhstan**
  - Progress in designing functional energy market fundamentals
  - Revisions to the Green Economy concept
    - Exploring alternative energy sources, including Nuclear
  - Changes in energy sector governance set-up

- **Kyrgyzstan**
  - Developments in RES; large hydro power remains in focus
  - Politicized energy pricing; tariffs and subsidies
  - Weak implementation of energy sector reforms
Major changes in the 2014 review cycle

- Moldova
  - EU Association Agreement
  - Progress in harmonizing legislation under the ECT
  - Enhanced regulatory framework
  - District heating sector restructuring

- Tajikistan
  - Focus on large hydro power developments
  - Improved legal framework; weak implementation
  - Slow progress in energy sector restructuring/reforms

- Turkmenistan

- Uzbekistan
Major changes in the 2014 review cycle

Ukraine

- EU Association Agreement
  - Energy Community membership procedures and progress
- Energy sector challenges and opportunities
  - Coal, gas, electricity and heat sectors and infrastructures
  - Implications to domestic, regional and international markets
  - Crises management group; Demand restraint procedures
- Reshaping energy policies, attuning to new realities
  - Short, medium and long term outlooks
- Developments in regulatory structures, adjustments to tariffs
- Enhanced legal framework, large body of legislation in place
  - Rule of law and halted implementation of energy reforms
  - Need for uninterrupted policy and sector reforms
Thank you

Thea Khitarishvili

*International Energy Agency*

This project was conducted with the financial assistance of the European Union provided through the European Neighbourhood and Partnership Instrument. This presentation reflects the views of the IEA Secretariat, but does not necessarily reflect those of the IEA’s Member countries or of the European Union.